

**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT
OF
NORTH JUDSON-WAYNE TOWNSHIP PUBLIC LIBRARY
STARKE COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
03/14/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Jane Ellen Felchuk	01-01-05 to 12-31-07
Treasurer	David Altman	01-01-05 to 12-31-07
President of the Board	Connie Miller	01-01-05 to 12-31-07



STATE OF INDIANA

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE NORTH JUDSON-WAYNE TOWNSHIP
PUBLIC LIBRARY, STARKE COUNTY, INDIANA

We have examined the financial information presented herein of the North Judson-Wayne Township Public Library (Library), for the period of January 1, 2005 to December 31, 2006. The Library's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above present fairly, in all material respects, the financial information of the Library for the years ended December 31, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not a required part of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

February 19, 2007

NORTH JUDSON-WAYNE TOWNSHIP PUBLIC LIBRARY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 101,086	\$ 165,638	\$ 151,383	\$ 115,341
Memorial	16,728	2,989	-	19,717
Special Projects	680	974	1,118	536
Grants	119	-	119	-
Levy Excess	-	6,305	-	6,305
Lease Rental	40,045	63,771	74,566	29,250
Library Capital Projects	21,455	12,437	19,492	14,400
Fiduciary Funds:				
Video Deposits	5,147	145	-	5,292
Payroll Withholdings	-	20,287	20,287	-
Totals	<u>\$ 185,260</u>	<u>\$ 272,546</u>	<u>\$ 266,965</u>	<u>\$ 190,841</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 115,341	\$ 185,442	\$ 189,646	\$ 111,137
Memorial	19,717	3,113	-	22,830
Special Projects	536	328	393	471
Rainy Day	-	17,632	-	17,632
Grants	-	1,800	-	1,800
Levy Excess	6,305	1,638	6,305	1,638
Lease Rental	29,250	89,047	72,496	45,801
Library Capital Projects	14,400	12,202	11,602	15,000
Fiduciary Funds:				
Video Deposits	5,292	105	-	5,397
Payroll Withholdings	-	24,074	24,074	-
Totals	<u>\$ 190,841</u>	<u>\$ 335,381</u>	<u>\$ 304,516</u>	<u>\$ 221,706</u>

The accompanying notes are an integral part of the schedules.

NORTH JUDSON-WAYNE TOWNSHIP PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Library uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Library in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Library on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Library to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

NORTH JUDSON-WAYNE TOWNSHIP PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
For The Year Ended December 31, 2006

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
<u>Primary Government</u>	
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,200
Buildings	913,650
Machinery and equipment	<u>170,182</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 1,085,032</u>

NORTH JUDSON-WAYNE TOWNSHIP PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
For The Year Ended December 31, 2006

CAPITAL LEASES

The Library has entered into the following capital lease:

Description of Debt	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Library facilities	\$ 485,631	\$ 37,179

NORTH JUDSON-WAYNE TOWNSHIP PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

COMPENSATION AND BENEFITS

In 2005, Sandra Kuehl received \$4,800 in payments paid from the Capital Projects Fund and in 2006 received \$1,600 paid from the Operating Fund and \$3,200 from the Capital Projects Fund for Technology Services which were not included in the Salary Ordinance/Compensation Schedule. A similar comment was noted in the prior Report B24936.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance and resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

NORTH JUDSON-WAYNE TOWNSHIP PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on February 19, 2007, with Jane Ellen Felchuk, Director.
The official concurred with our finding.